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R E P O R T

OF THE

Committee on Inland Transportation

TO THE

BOARD OF TRADE OF PHILADELPHIA,

ON THE

COMMERCE OF THE LAKES,

AND THE

IMPORTANCE OF A CONNECTION WITH LAKE ONTARIO AT SODUS BAY,

May, 1856.

PUBLISHED BY ORDER OF THE BOARD OF TRADE.

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1856.

At a stated meeting of the Board of Trade of Philadelphia, held May 19, 1856, Mr. Morton, for the Committee on Inland Transportation, submitted a report in relation to the Sodus Bay Railroad, and its bearing on the trade of the Lakes.

The Report was read and unanimously adopted.

It was then, on motion of Mr. David S. Brown,

Resolved, That 1000 copies of the Report presented by the Committee on Inland Transportation be printed in pamphlet form, under the supervision of said Committee, accompanied by a map; and that one copy be transmitted to each member of the Board, and the remainder held subject to the order of the Directors.

Extracted from the minutes.

F. W. GRAYSON, *Secretary.*

PHILADELPHIA, *May 19, 1856.*

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R E P O R T .

IT is now more than two years since the attention of the Board of Trade of Philadelphia was first called to the importance of a direct connection with Lake Ontario at Sodus Bay. A committee of gentlemen from that place visited our city, and urged with much earnestness and force, the immediate co-operation of Philadelphia in completing the short link of railway communication between us. It seemed impossible at that time to afford much aid to the enterprise. The financial difficulties over the country, as well as the novelty of the whole subject, prevented any immediate results from the mission of these gentlemen; and they returned home disheartened and discouraged.

They have since repeatedly renewed their attempt to arouse our citizens to the importance of this subject, and having recently communicated, both personally and by letter, with members of the Inland Transportation Committee, asking our attention to its claims, we felt it our duty carefully and thoroughly to investigate the merits of the application.

We therefore requested the parties interested to furnish us with all the data in their power, to enable us to arrive at an intelligent judgment ourselves, before asking the co-operation of the Board of Trade,

and of our citizens generally, in this matter. We also took measures to obtain from the latest published statements of the Boards of Trade, and Custom House reports of Milwaukie, Chicago, Buffalo, Toronto, Oswego and New York, as well as from other sources, the most reliable and accurate statistics of the commerce of the Lakes the past year as compared with previous years—its character, extent, and direction.

The result of these inquiries has been to develop a most astonishing increase in the trade of our Western ports; and almost the new creation, by the action of the Reciprocity Treaty, within the past two years, of an enormous commerce with Canada.

We believe we shall best subserve the interests of our friends at Sodus Bay, and more strictly conform to our legitimate duties, by laying before the Board of Trade and the public, a few figures with reference to the present shipping of the Lakes; leaving these gentlemen to speak for themselves on the more technical details of their application.

In the first place, our attention was arrested by the vast and unexpected results of the convention with Great Britain, concluded under date of 5th of June, 1854, in relation to our trade with her adjoining provinces, generally known as the Canada Reciprocity Treaty.

Under the old Revenue Laws of the United States and the British Provinces, but little trade could possibly exist between these two countries so nearly allied in their population and their interests. Even foreign merchandise was not allowed to be imported by Canadian merchants into any of our ports under bond or

drawback, and commerce was thus compelled to seek the long and dangerous channel of the St. Lawrence.

By the treaty of 1854, a comparatively free interchange of the products of the two countries was permitted, although great fears were entertained that the benefits the United States would receive, in the freedom of the northeastern fisheries, would be dearly paid for by the imagined disastrous influx of Canadian produce on our frontier.

So far, however, from any inconvenience being experienced in this respect, it is now manifest, that by far the most valuable portion of that treaty was the development of our internal trade with the British Provinces; and that our exports to Canada have exceeded our imports, vast as the latter have been.

In May, 1855, the Chairman of the Committee of Trade and Commerce reported to the Canadian Parliament that the imports of the United States from Canada in 1848 amounted to \$642,672, and in 1854 amounted to \$6,097,204; and the imports into Canada from the United States in 1848 were \$984,604, and in 1854 were \$2,180,184. Showing an increase in six years in the former of nearly ten to one, and in the latter for the same period of more than two to one. Also, that of foreign goods, more than six millions of dollars passed into Canada in 1854 from the United States under bond.

The report of the Secretary of the Treasury for the year ending 30th June, 1855, shows a still further increase:—

Exports of domestic produce to Canada . . .	\$9,950,764
" foreign " " ".	8,769,580
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Total exports for the year	\$18,720,344
Importations into the U. S. from Canada .	\$12,182,314
	<hr/>
Total trade with Canada	\$30,902,658

for the year ending June 30th, 1855, being an amount only excelled by our trade with England and France.

Tonnage employed each way, 1,776,730 tons, about equally divided between English and American.

Such are the figures to the close of the fiscal year. We have, as yet, no reliable data which enable us to embrace the last six months of 1855.* Enough is,

* Since this report was adopted by the Board of Trade, we have received the trade and navigation returns of Canada for 1855, which have just been laid before Parliament. From these documents it appears that the total tonnage and property of vessels on the St. Lawrence, Burlington Bay, Chambly and Welland Canals, and St. Ann's Lock, shows an increase of 1855 over 1854 of 83 per cent.; there being a slight decrease on the St. Lawrence and Welland Canals, which is counterbalanced by a considerable increase on the Burlington Bay Canal. The value of articles entered for consumption in Canada was, in 1854, £10,132,331; in 1855, £9,021,542; showing a decrease of £1,110,789. The amount of duties collected was £881,445, in 1855, or £343,306 less than in 1854—a result attributable to the effects of reciprocity, as is proved by the return £2,525,383, value of free goods imported in 1855, against £703,435 in 1854. The imports by sea, via the St. Lawrence, amounted in 1854 to £5,292,938; in 1855 they were but £2,419,431, or nearly one-half. *The imports from the United States amounted, in 1854, to £3,833,274; and in 1855 to £5,207,169—showing an increase of £1,373,895, or about one-third.* The imports from the United States of free goods, under the reciprocity treaty, were valued, in 1855, at £1,331,393. The total exports from Canada amounted, in 1854, to £5,754,797; in 1855 they were £7,047,115; showing

however, known to assure us that the vast wheat crop of Canada, and the high prices obtained for it, must have greatly increased the previous calculations.

Passing now to our own western shipping ports, we have before us the last Annual Report of the Board of Trade of Milwaukie. The following comparison of figures is selected from the statistics of its exports for the past four years, and may be taken as a sample of the whole:—

	1852.	1853.	1854.	1855.
Flour, bbls.	88,213	159,216	155,061	235,000
Wheat, bush.	428,512	1,181,000	2,052,316	4,028,966
Hams and shoulders, lbs.	152,711	156,160		1,640,800
Lard, lbs.	84,830	219,912	624,120	934,706

In considering the vast increase in the principal article of export—wheat—which has annually progressed in geometrical ratio, about 100 per cent. each year, it must be borne in mind that the interior resources of the State are only very partially developed

The Milwaukie and Mississippi Railroad has only been open a year for a portion of the route, and shows a revenue of nearly \$700,000.

an increase of £1,292,318. Toronto is the only important port which shows an increase, in 1855, on both exports and imports. The total increase of the commerce of Canada in 1855 over 1854 is £181,528, or 1.14 per cent.

This official statement more than confirms the expectations held out in our report of an increase on the exports from the United States to Canada the present year; showing them to have amounted, in 1855, to £5,207,169.

What results may not be anticipated when it shall have reached the Mississippi River and its tributaries, and when railroad communications, now in progress, shall bear to Milwaukie the productions of the inner regions of Wisconsin, Minnesota, Northern Iowa, and Nebraska, as developed by the vast population they are capable of maintaining, and which, at the present rate of immigration, will soon be established there?

If we turn now to Chicago and examine the statistics of its commerce, as published in January, 1856, in the *Daily Press* of that city, we find ourselves almost bewildered by their variety and extent. The Illinois Central Railroad, passing through a rich prairie land with a virgin soil, nearly three feet in depth, and over which towns and hamlets are springing up, as by magic, is pouring into Chicago not only the vast productions along its route, but a large trade from St. Louis and the South. The Galena and Chicago and Rock Island Railroads tap the Mississippi commerce, and lay its rich treasures, as well as the productions along their own route, on the wharves of Chicago; and the completion of the St. Mary's Canal has thrown open to the merchants the exhaustless mineral wealth of Lake Superior and the commerce of the North.

Within the last year five hundred miles of lineal extension have been added to her railroad connections, and more than one hundred thousand square miles of additional territory been thus made tributary to her.

It is useless to speculate on the future of this wonderful entrepot of the commerce of the Great West.

When Missouri, Iowa, and Kansas have been more thoroughly settled, and their agricultural productions passing up the Mississippi and across the short railroad communications to the Lake Navigation at Chicago, shall contribute still further to swell its exports, it would seem as if new channels must be opened for their disposal; and almost that the lakes themselves could hardly suffice for the commerce of this port.

It is already by far the greatest primary shipping port of grain in the world, as may be seen by the following table, viz:—

Wheat and all grains exported.

	BUSHELS.
Odessa	7,040,000
Galatz and Ibraila	8,320,000
Dantzie	4,408,000
Archangel	9,528,000
Riga	4,000,000
Chicago, 1854	12,902,000
" 1855	16,633,813

We propose to lay before the Board a few figures from the voluminous and deeply interesting report before us, which will show the progress of the trade of Chicago:—

	1852.	1853.	1854.	1855.
Lead, lbs.	———	3,253,763	4,247,128	9,965,950
Flour, bbls.	———	131,130	224,575	320,812
Wheat, bushs.	937,498	1,687,465	3,033,955	7,535,097
Corn, "	2,991,011	2,869,339	7,490,753	8,532,377

And without giving further details, the total

	1854.	1855.
Receipts of grain were (bushs.)	15,804,423	20,487,953
Shipments " " " . . .	12,902,320	16,633,813

There were also received at this port, in 1855—

	POUNDS.
Butter	2,473,982
Lard between 5,000,000 and 6,000,000	
Dressed hogs	27,955,007
Packed beef	16,032,138
Wool	2,158,426
Coal	10,930,259
Iron	11,120,000

And a great variety of miscellaneous productions. The two latter trades are yet in their infancy.

Perhaps, after the Grain trade, the most important article of commerce to Chicago is Lumber. It is doubtful if a larger market for this material exists in the United States. The receipts at this port in 1854, were 228,336,783 feet; in 1855, 306,553,467 feet, besides 158,770,860 shingles and 46,487,550 lath.

Of these vast amounts, 95 per cent. in 1854, and 97 per cent. in 1855, reached Chicago by the Lakes, the remainder by the Michigan Southern and Central routes. The supplies are drawn from almost every direction—Wisconsin and Michigan, Canada and the St. Lawrence, and a considerable portion from Pennsylvania, and the valley of the Susquehanna. The demand comes mainly from the vast prairie settlements south and west of Chicago, and even from Iowa and the valley of the Mississippi. The Galena and Chicago and Rock Island Railroads afford abundant facilities for its transport on their return trains,

which have borne eastward the lead, grain and produce of the west.

This vast commerce employs of necessity a large amount of shipping. The total steam and sail tonnage arriving at Chicago in 1855, was 1,608,845 tons, against 1,092,644 in 1854, an increase of 50 per cent. in a single year. The number of vessels employed, as nearly as could be ascertained, was 6610, of which 5410 are reported.

From this hurried glance at the enormous traffic which the growth of the Great West is necessarily building up, and which increases each year in a ratio for which there is no precedent or comparison, an idea may be formed of the vast importance of securing to our State and city its fair proportion of the Lake trade. For it is through this channel, after all, that the great bulk of the exports and imports of the West must always flow.

The trifling expense of water carriage, as compared with the charges of railway freights, outweighs any advantage of time in the heavy articles of transport. It matters little whether the lead of Galena, or the grain and produce of Iowa or Minnesota, arrive at their destination in a week or a fortnight. They are frequently now bought and stored at Chicago, and shipped at leisure to the eastern markets.

So with the coal, iron and lumber sent westward in such vast quantities. If our State could contribute from her overflowing deposits, these treasures so peculiarly her own, to the unlimited demand of the Great West, it is difficult to estimate the wealth this trade would pour into her coffers. And if our city

could share with other Atlantic ports the grain and produce trade of Milwaukie, Chicago and Canada, a new life would be breathed into our commerce, and our ancient respectable position as a shipping port regained.

These are the questions which your Committee have deemed of vital importance to Philadelphia at this time; and to which they desire to call the attention of the Board of Trade, and of our merchants generally. We are convinced, from a careful examination of the course of this Lake trade, as affected by recent events, that it is equally accessible to our city as to New York, and that a very slight exertion on the part of our merchants would at this juncture be productive of the most important results.

Hitherto the course of this trade has been mainly towards the city of Buffalo, the great terminus of the public improvements of New York, both railroads and canals. The imports of Buffalo in 1854, amounted to \$149,180,219, and its exports to \$124,207,665, making it by far the first inland commercial city of the world.

But within a year or two a great change in the course of the Lake trade has been apparent. The completion of the Oswego and Syracuse Railroad, and the action of the Reciprocity treaty with Canada, have tended to turn a large share of the Lake commerce to Oswego. Even the grain and produce of Milwaukie and Chicago, passing up Lake Michigan, down Lake Huron, through the St. Clair flats, and along the whole length of Lake Erie, has avoided its old stopping place at Buffalo and sought, by the Welland Canal and Lake Ontario, a better market at Oswego.

The reason of this is obvious. It is well known that it is the loading and unloading of a vessel, and not so much a few miles of distance, that constitute the great cost of heavy freighting. It frequently happens that the course of trade will turn the scale of freights in foreign shipments very much in favor of more distant ports. When the schooner is loaded at Chicago with grain or produce, it costs little more to land it at Oswego than at Buffalo—by the present route. But once landed at Oswego, the produce is only thirty-five miles from Syracuse, while at Buffalo it is one hundred and fifty—the distance from there to Albany or New York being of course the same in either case.

Such is the natural theory. Let us now look at the facts of the case. We have before us a table of the receipts of grain at Buffalo and Oswego during 1854 and 1855.

	BUFFALO.		OSWEGO.	
	1854.	1855.	1854.	1855.
Wheat . . .	3,510,792	8,022,126	2,492,333	5,868,783
Corn	10,109,973	8,711,230	2,632,274	2,860,900
Oats	4,441,739	2,693,222	323,296	228,097
Rye	177,066	299,591	43,215	281,021
Peas			849	51,160
Barley	313,885	62,304	101,456	179,215
Total	18,553,455	19,788,473	5,593,423	9,469,176

By this it will be seen that the receipts of grain, at Buffalo, increased only about 6 per cent. from 1854 to 1855—while the receipts at Oswego increased 70 per cent. In fact, the receipts of all grain

at Buffalo, except wheat and rye, fell off largely; and the surplus of these latter was supplied in great measure from Canada.

The total value of Canadian exports and imports at Oswego for two seasons, have been as follows:—

		1854.	1855.
Value of imports		\$1,690,292	\$6,139,743
“ exports		1,178,925	5,870,920
Total trade		\$2,869,217	\$12,010,663
			2,869,217
Increase in 1855			\$9,141,446

The total value of Canadian imports and exports at Buffalo for two seasons was as follows:—

		1854.	1855.
Value of imports		\$937,539	\$2,067,346
“ exports		1,073,872	935,176
Total trade		\$2,011,411	\$3,002,522
			2,011,411
Increase in 1855			\$991,111
“ at Oswego in 1855			9,141,446
Excess at Oswego over Buffalo			\$8,150,335

If such be the increase, with the odds of water navigation against Oswego, it is difficult to over estimate the results of the completion of the Georgian Bay and Lake Ontario Ship Canal, now under survey, and which, it is believed, will be steadily pursued to completion. This magnificent enterprise, projected mainly by British capitalists, is designed to open the inner lakes to the Atlantic Ocean, for the largest class of vessels, and to avoid the tedious navigation of Lake Huron and Lake Erie, and the dangerous flats of St. Clair.

The Secretary of the Toronto Board of Trade, in an able report on this subject, thus sets forth the saving of expense which will result to the commerce of the West: "Looking at the western shore of Lake Michigan, commencing in the south with Chicago, and finishing in the north with Green Bay, we have a series of shipping ports, which must be looked to as the starting points for the lake-borne produce of the vast country lying south, west and north of that coast, and to the transport of which, all channels of communication, of whatever kind, tending toward the Atlantic Ocean, look forward for their chief source of revenue.

"Starting then, for instance, at Chicago, the distance from that point via St. Clair River, Lake Erie, and the Welland Canal to Oswego, is 1310 miles; the distance from the same points by the proposed Toronto and Lake Huron Canal would be 750, with very little, if any, more lockage, and the tedious and dangerous navigation of the St. Clair River and Lake Erie would be entirely avoided. There would thus be a saving in the distance between the two highly important ports of Chicago and Oswego of 570 miles by our route."

When the completion of the Georgian Bay Canal shall bring Chicago by water navigation 570 miles nearer to Oswego than by the present circuitous route, and 267 miles nearer than by the present route to Buffalo, giving thus to the commerce of the west shipped to Oswego for Albany or New York, an advantage of 382 miles of transport, 115 of which are by railroad, besides avoiding the danger and delays before alluded to, it is not too much to anticipate that

a great revolution will take place in the whole trade of the lakes. The western ports of New York must yield to the ports on the southern shore of Lake Ontario the commerce of the far West, which will then pass over the width of the State in its narrowest part, instead of its length—finding, at a great saving of time and expense, its destined market.

If these facts be true as regards Oswego, we need only call attention to the fact that Philadelphia is practically more accessible to Sodus Bay than New York is to Oswego, and that but 35 miles of railroad remain to be constructed to complete the connection between our city and the best natural harbor on the lakes.

We do not propose to enter at present into the details of this enterprise, having merely intended to lay before the Board of Trade a few facts with regard to the present commerce of the lakes, which has the past year outstripped in its prodigious increase all precedents of trade in our own or any other country.

Our purpose will be answered if these hasty researches shall serve in any degree to awaken Philadelphia to the vast importance of a commerce unparalleled in the history of the world, and which is passing by her very gates, unheeded and almost unknown.

SAML. C. MORTON,
ALEX. J. DERBYSHIRE,
BENJ. MARSHALL,
THOS. KIMBER, JR.

For Committee on Inland Transportation.

May 19, 1856.